



SBA Procedural Notice

TO: All SBA Employees

CONTROL NO.: 5000-1267

SUBJECT: SBA 504 Loan and First Mortgage
Loan Programs – Transfer of Central
Servicing Agent functions from
Colson Services Corp. to Wells
Fargo Corporate Trust Services

EFFECTIVE: 02/13/13

On November 5, 2012, SBA issued SBA Information Notice 5000-1256 announcing that Wells Fargo Corporate Trust Services (Wells Fargo CTS) was selected to serve as the new Central Servicing Agent (CSA) for the 504 loan program, replacing Colson Services Corp. Wells Fargo CTS will also replace Colson Services Corp. as the CSA for the First Mortgage Loan Program (FMLP), established under section 503 of the American Recovery and Reinvestment Act. Over the past six months, Wells Fargo CTS, working with their consultant, PricewaterhouseCoopers (PwC), has been preparing for the transition of the 504 loan and FMLP portfolios. **The purpose of this Notice is to announce that this transition will occur on Monday, March 25, 2013, and that** effective that date, all of the agent servicing functions currently provided by Colson Services Corp. for the servicing and funding of 504 and FMLP loans will be provided by Wells Fargo CTS.

This Notice contains the following information regarding the transition of the 504 loan portfolio:

- Instructions on the notification letters that a Certified Development Company (CDC) will be required to send to each borrower in their portfolios;
- Information and address changes that apply to all closings beginning with the April 17th debenture funding; and
- Critical dates regarding the implementation of the transition.

1. NOTIFICATION LETTERS EACH CDC MUST SEND TO BORROWERS IN THEIR PORTFOLIOS

As a part of this transition, each CDC will be required as a part of its loan servicing responsibilities to notify each borrower in the CDC's portfolio of the transfer of the central servicing agent responsibility from Colson Services Corp. to Wells Fargo CTS. Attached to this Notice is suggested draft language for the notification letter. To minimize confusion during this transition, CDCs should send the notification letters no earlier than March 4, 2013 and no later than March 11, 2013. Please note that borrowers that currently make their payments through automatic debit through the Automatic Clearing House (ACH debit) will not need to make any changes; the payments will continue to be automatically debited by Wells Fargo CTS. The draft letter is suggested language, and each CDC may modify its letters for any special circumstances that the CDC would like to address when communicating with its borrowers. For example, the

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SBA Form 1353.3 (4-93) MS Word Edition; previous editions obsolete
Must be accompanied by SBA Form 58

CDC may wish to inform borrowers currently on a deferment plan that they should continue to make their payments in accordance with the plan, or inform the borrowers of any other servicing issues.

For those borrowers that do not make their payments by ACH debit, Wells Fargo CTS has provided wiring instructions for remitting payments, and these instructions are attached. These wiring instructions need only be sent to borrowers who are NOT currently on ACH debit. In addition, SBA and Wells Fargo CTS have been working with the loan servicing software providers to assist the CDCs in automating the submission of the letters to the borrowers, and CDCs may contact their loan servicing software provider for assistance if desired.

2. INFORMATION AND ADDRESS CHANGES BEGINNING WITH THE APRIL 17, 2013 DEBENTURE FUNDING

The first debenture funding conducted by Wells Fargo CTS will be on April 17, 2013. CDCs must continue to use the Servicing Agent Agreement (SBA Form 1506) that is attached to SBA Information Notice 5000-1256, issued November 5, 2012, until SBA updates the Servicing Agent Agreement to incorporate references to the new CSA.

Beginning with the April 17, 2013 debenture sale, the new address that CDCs should use to send the necessary debenture closing documents is:

Wells Fargo Bank
Corporate Trust Services
9062 Old Annapolis Road
Columbia, MD 21045-1951
Attn: 504 Central Servicing Agent

In addition, beginning with the April 17, 2013 debenture sale, the email address that District Counsel should use to notify the CSA of the list of loans approved for sale is:
sba504csafunding@wellsfargo.com.

If you have any questions regarding the April 17, 2013 debenture funding please contact Chris Urban at Wells Fargo Corporate Trust Services at christopher.j.urban@wellsfargo.com or (410) 884-2339.

3. IMPORTANT DATES

February 14, 2013 – 2:00 PM ET - Webinar Conducted by Development Company Funding, LLC (DCFLLC) and SBA

All CDCs and SBA staff are invited to participate in a webinar conducted by DCFLLC as SBA's fiscal agent and each CDC's selling agent for the 504 program. The Webinar will explain the transition process, the notification letters CDCs will be asked to send, instructions each CDC will need to be aware of regarding the April 17th debenture funding, and will review the timeline for full transition.

March 4, 2013 – March 11, 2013 - CDCs (Send transition notification letters to all borrowers in their portfolio).

Each CDC will send notification letters of the transition to all borrowers in their portfolio during this time period.

March 13, 2013 – Last debenture funding by Colson Services Corp.

This is the date for the last CDC debenture funding to be handled by Colson Services Corp.

March 19, 2013 – 2:00 ET – Webinar conducted by Wells Fargo CTS and PricewaterhouseCoopers (PwC) for all CDCs and SBA staff explaining the CSA system.

On March 19, 2013, all CDCs and SBA staff are invited to participate in a webinar to preview the new online system.

March 21, 2013 – Wells Fargo CTS (Passwords and Information Released to CDCs)

On Thursday morning, March 21st, Wells Fargo CTS will send an email to each CDC informing them that starting Monday, March 25th, Wells Fargo CTS will be the new Central Servicing Agent for the 504 program. This email will provide login instructions to the new system, contact information for key Wells Fargo CTS staff, and other instructions.

March 22, 2013 – Colson shuts off access to its system.

At the close of business (5:00 pm EST) on Friday March 22, 2013, Colson Services Corp. will permanently shut off access to its system.

MARCH 25, 2013 – TRANSITION DATE

All functions previously available on Colson Services Corp. system will be transferred to the Wells Fargo CTS system and will be available starting Monday, March 25, 2013 at 8:00 a.m. eastern standard time.

April 1, 2013 – First ACH debit by Wells Fargo CTS

Borrower payments will be debited by Wells Fargo CTS. The debits will appear on the borrowers' bank account statements as "WFSBA504LN".

April 17, 2013 – First Wells Fargo CTS debenture funding

This will be the first CDC debenture funding to be handled by Wells Fargo CTS.

SBA is working with DCFLLC to provide more information on the transition process to CDCs and SBA staff.

First Mortgage Loan Pool program participants (pool originators, sellers and investors) will be sent separate communications to update them on transition timelines and expectations. Wells Fargo will send a letter to FMLP participants the week of February 25, 2013, and will conduct a webinar the week of March 11, 2013.

Questions?

Questions on this Notice may be sent to an email box established by DCFLLC, Wells Fargo CTS and SBA: csa@dcfllc.org. This email box will be monitored by DCFLLC and answers will be provided after consulting with Wells Fargo CTS and SBA.

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